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## FISCAL IMPACT REPORT

**SPONSOR** Varela **ORIGINAL DATE** 2/18/07  
**LAST UPDATED** \_\_\_\_\_ **HB** 1102  
**SHORT TITLE** CLOSURE OF DFA REVOLVING LOAN FUND **SB** \_\_\_\_\_  
**ANALYST** Propst

### REVENUE

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY07	FY08	FY09		
	100.0		Non-recurring	General Fund

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Finance and Administration (DFA)

### SUMMARY

#### Synopsis of Bill

House Bill 1102 proposes to stop loans from the Department of Finance and Administration Revolving Loan Fund no later than the end of fiscal year 2007, to then revert the Revolving Loan Fund balance to the General Fund, after outstanding loans have been repaid, and to then close the Revolving Loan Fund. HB 1102 contains no effective date section..

### SIGNIFICANT ISSUES

HB 1102 proposes to stop granting loans from the Revolving Loan Fund, revert the Revolving Loan Fund balance to the General Fund and then close the Revolving Loan Fund. Loans from the fund would cease no later than June 30, 2007. Once all outstanding loans have been repaid, HB 1102 proposes that the balance of the Revolving Loan Fund revert to the General Fund. Loans from the fund have a maximum repayment within thirty days of the loan, so all outstanding loans would be expected to be fully repaid within FY08.

Apparently, this is a dormant fund and there are no outstanding loans recorded. Reverting the funds simply brings this pot of money back into use. This is a DFA initiative and has been approved by the Governor.

The Department of Finance and Administration Office of the Secretary and the Financial Control Division estimate the proposed expected reversion to the General Fund in FY08 at 100.0.

WEP/mt